

AMENDED IN SENATE JANUARY 9, 2006

Senate Constitutional Amendment

No. 7

Introduced by Senator Torlakson

February 15, 2005

Senate Constitutional Amendment No. 7—A resolution to propose to the people of the State of California an amendment to the Constitution of the State, by amending Section ~~6 of Article XIX~~ thereof, ~~and by amending Section 1 of Article XIX~~ *A 1 of Article XIX B* thereof, relating to transportation.

LEGISLATIVE COUNSEL'S DIGEST

SCA 7, as amended, Torlakson. ~~Loans of transportation revenues and funds. Transportation Investment Fund.~~

Article XIX B of the California Constitution requires, commencing with the 2003-04 fiscal year, that sales taxes on motor vehicle fuel that are deposited into the General Fund be transferred to the Transportation Investment Fund for allocation for various transportation purposes. Article XIX B authorizes this transfer to the Transportation Investment Fund to be suspended in whole or in part for a fiscal year during a fiscal emergency pursuant to a proclamation by the Governor and the enactment of a statute by a 2/3 vote in each house of the Legislature if the statute does not contain any unrelated provision.

This measure would delete the provision authorizing the Governor and the Legislature to suspend the transfer of revenues from the General Fund to the Transportation Investment Fund for a fiscal year during a fiscal emergency.

~~The California Constitution restricts the expenditure of certain motor vehicle fuel and vehicle-related revenues to specified transportation purposes, but authorizes these revenues to be loaned to~~

~~the General Fund under certain conditions. The California Constitution further provides that the trust funds in the Public Transportation Account in the State Transportation Fund may be loaned to the General Fund under certain conditions.~~

~~This measure would require any loan of these motor vehicle fuel and vehicle-related revenues or trust funds that is not repaid within the same fiscal year in which the loan was made, or by a date not more than 30 days after the enactment date of the Budget Bill for the subsequent fiscal year, to be repaid with interest at a specified rate. The measure would provide that a loan of these funds may also be made to other state funds or accounts under the conditions applicable to loans to the General Fund.~~

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: ~~yes~~ no.
State-mandated local program: no.

1 *RESOLVED BY THE SENATE, THE ASSEMBLY*
2 *CONCURRING, That the Legislature of the State of California at*
3 *its 2005-06 Regular Session commencing on the sixth day of*
4 *December 2004, two-thirds of the membership of each house*
5 *concurring, hereby proposes to the people of the State of*
6 *California, that the Constitution of the State be amended as*
7 *follows:*

8 That Section 1 of Article XIX B thereof is amended to read:

9 SECTION 1. (a) For the 2003–04 fiscal year and each fiscal
10 year thereafter, all moneys that are collected during the fiscal
11 year from taxes under the Sales and Use Tax Law (Part 1
12 (commencing with Section 6001) of Division 2 of the Revenue
13 and Taxation Code), or any successor to that law, upon the sale,
14 storage, use, or other consumption in this State of motor vehicle
15 fuel, and that are deposited in the General Fund of the State
16 pursuant to that law, shall be transferred to the Transportation
17 Investment Fund, which is hereby created in the State Treasury.

18 (b) (1) For the 2003–04 to 2007–08 fiscal years, inclusive,
19 moneys in the Transportation Investment Fund shall be allocated,
20 upon appropriation by the Legislature, in accordance with
21 Section 7104 of the Revenue and Taxation Code as that section
22 read on ~~the operative date of this article~~ *March 6, 2002*.

23 (2) For the 2008–09 fiscal year and each fiscal year thereafter,
24 moneys in the Transportation Investment Fund shall be allocated
25 solely for the following purposes:

1 (A) Public transit and mass transportation.

2 (B) Transportation capital improvement projects, subject to the
3 laws governing the State Transportation Improvement Program,
4 or any successor to that program.

5 (C) Street and highway maintenance, rehabilitation,
6 reconstruction, or storm damage repair conducted by cities,
7 including a city and county.

8 (D) Street and highway maintenance, rehabilitation,
9 reconstruction, or storm damage repair conducted by counties,
10 including a city and county.

11 (c) For the 2008–09 fiscal year and each fiscal year thereafter,
12 moneys in the Transportation Investment Fund shall be allocated,
13 upon appropriation by the Legislature, as follows:

14 (A) Twenty percent of the moneys for the purposes set forth in
15 subparagraph (A) of paragraph (2) of subdivision (b).

16 (B) Forty percent of the moneys for the purposes set forth in
17 subparagraph (B) of paragraph (2) of subdivision (b).

18 (C) Twenty percent of the moneys for the purposes set forth in
19 subparagraph (C) of paragraph (2) of subdivision (b).

20 (D) Twenty percent of the moneys for the purpose set forth in
21 subparagraph (D) of paragraph (2) of subdivision (b).

22 ~~(d) The transfer of revenues from the General Fund of the~~
23 ~~State to the Transportation Investment Fund pursuant to~~
24 ~~subdivision (a) may be suspended, in whole or in part, for a fiscal~~
25 ~~year if both of the following conditions are met:~~

26 ~~(1) The Governor has issued a proclamation that declares that~~
27 ~~the transfer of revenues pursuant to subdivision (a) will result in~~
28 ~~a significant negative fiscal impact on the range of functions of~~
29 ~~government funded by the General Fund of the State.~~

30 ~~(2) The Legislature enacts by statute, pursuant to a bill passed~~
31 ~~in each house of the Legislature by rolleall vote entered in the~~
32 ~~journal, two-thirds of the membership concurring, a suspension~~
33 ~~for that fiscal year of the transfer of revenues pursuant to~~
34 ~~subdivision (a), provided that the bill does not contain any other~~
35 ~~unrelated provision.~~

36 ~~(e)–~~

37 (d) The Legislature may enact a statute that modifies the
38 percentage shares set forth in subdivision (c) by a bill passed in
39 each house of the Legislature by rollcall vote entered in the
40 journal, two-thirds of the membership concurring, provided that

1 the bill does not contain any other unrelated provision and that
2 the moneys described in subdivision (a) are expended solely for
3 the purposes set forth in paragraph (2) of subdivision (b).

4 ~~Resolved by the Senate, the Assembly concurring, That the~~
5 ~~Legislature of the State of California at its 2005-06 Regular~~
6 ~~Session commencing on the sixth day of December 2004,~~
7 ~~two-thirds of the membership of each house concurring, hereby~~
8 ~~proposes to the people of the State of California that the~~
9 ~~Constitution of the State be amended as follows:~~

10 ~~First That Section 6 of Article XIX is amended to read:~~

11 ~~SEC. 6. The tax revenues designated under this article may be~~
12 ~~loaned to the General Fund or any other state fund or account~~
13 ~~only if one of the following conditions is imposed:~~

14 ~~(a) That any amount loaned is to be repaid in full to the fund~~
15 ~~from which it was borrowed during the same fiscal year in which~~
16 ~~the loan was made, except that repayment may be delayed until a~~
17 ~~date not more than 30 days after the date of enactment of the~~
18 ~~budget bill for the subsequent fiscal year.~~

19 ~~(b) That any amount loaned is to be repaid in full, with interest~~
20 ~~at the rate paid on money in the Pooled Money Investment~~
21 ~~Account, or any successor to that account, during the period of~~
22 ~~time that the money is loaned, to the fund from which it was~~
23 ~~borrowed within three fiscal years from the date on which the~~
24 ~~loan was made and one of the following has occurred:~~

25 ~~(1) The Governor has proclaimed a state of emergency and~~
26 ~~declares that the emergency will result in a significant negative~~
27 ~~fiscal impact to the General Fund.~~

28 ~~(2) The aggregate amount of General Fund revenues for the~~
29 ~~current fiscal year, as projected by the Governor in a report to the~~
30 ~~Legislature in May of the current fiscal year, is less than the~~
31 ~~aggregate amount of General Fund revenues for the previous~~
32 ~~fiscal year, adjusted for the change in the cost of living and the~~
33 ~~change in population, as specified in the budget submitted by the~~
34 ~~Governor pursuant to Section 12 of Article IV in the current~~
35 ~~fiscal year.~~

36 ~~(c) Nothing in this section prohibits the Legislature from~~
37 ~~authorizing, by statute, loans to local transportation agencies,~~
38 ~~cities, counties, or cities and counties, from funds that are subject~~
39 ~~to this article, for the purposes authorized under this article. Any~~
40 ~~loan authorized as described by this subdivision shall be repaid in~~

1 full, with interest at the rate paid on money in the Pooled Money
2 Investment Account, or any successor to that account, during the
3 period of time that the money is loaned, to the fund from which it
4 was borrowed, not later than four years after the date on which
5 the loan was made.

6 Second That Section 1 of Article XIX A is amended to read:

7 SECTION 1. ~~The funds in the Public Transportation Account~~
8 ~~in the State Transportation Fund, or any successor to that~~
9 ~~account, may be loaned to the General Fund or any other state~~
10 ~~fund or account only if one of the following conditions is~~
11 ~~imposed:~~

12 (a) ~~That any amount loaned is to be repaid in full to the~~
13 ~~account during the same fiscal year in which the loan was made,~~
14 ~~except that repayment may be delayed until a date not more than~~
15 ~~30 days after the date of enactment of the budget bill for the~~
16 ~~subsequent fiscal year.~~

17 (b) ~~That any amount loaned is to be repaid in full, with interest~~
18 ~~at the rate paid on money in the Pooled Money Investment~~
19 ~~Account, or any successor to that account, during the period of~~
20 ~~time that the money is loaned, to the account within three fiscal~~
21 ~~years from the date on which the loan was made and one of the~~
22 ~~following has occurred:~~

23 (1) ~~The Governor has proclaimed a state of emergency and~~
24 ~~declares that the emergency will result in a significant negative~~
25 ~~fiscal impact to the General Fund.~~

26 (2) ~~The aggregate amount of General Fund revenues for the~~
27 ~~current fiscal year, as projected by the Governor in a report to the~~
28 ~~Legislature in May of the current fiscal year, is less than the~~
29 ~~aggregate amount of General Fund revenues for the previous~~
30 ~~fiscal year, as specified in the budget submitted by the Governor~~
31 ~~pursuant to Section 12 of Article IV in the current fiscal year.~~